

AMENDMENT NO. _____

Signature of Sponsor

FILED

Date _____

Time _____

Clerk _____

Comm. Amdt. _____

AMEND Senate Bill No. 951 House Bill No. 1465

by deleting Section 1 of the printed bill in its entirety and substituting instead the following new sections:

SECTION 1. Tennessee Code Annotated, Section 56-2-201(1), is amended by deleting the word “and” between the words “organizations,” and “long-term” and the punctuation “;” from the last phrase of the definition and by substituting instead the following:

and physician-hospital organizations as defined in Section 56-32-202(7).

SECTION 2. Tennessee Code Annotated, Section 56-32-202, is amended by the addition of the following new definition (7) and by the renumbering of subsequent definitions accordingly:

(7) “Physician-Hospital Organization” means an organization formed to allow hospitals and physicians to jointly obtain provider contracts with health maintenance organizations and other payers of health care benefits. The organization may obtain aggregate or excess stop-loss insurance coverage.

SECTION 3. Tennessee Code Annotated, Section 56-32-202(6), is amended by deleting the punctuation “;” and substituting instead the punctuation “.”, and by adding the following new language at the end of the existing definition:

Additionally, the organization may provide or arrange for basic health care services on a prepayment or other financial basis with physician-hospital organizations as defined in Section 56-32-202(7);

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SECTION 4. Tennessee Code Annotated, Section 56-32-204(a), is amended by adding the following language as new subdivision 3(E):

(E) In the event the health maintenance organization enters into an agreement with any physician-hospital organization for the provision of basic health care services on a prepayment basis, such as described in T.C.A. Section 56-32-202(6), the Commissioner may not disallow such agreement on the basis that it transfers risk to such physician-hospital organization, provided that such health maintenance organization remains contractually responsible to its enrollees for the provision or arrangement of all such basic health care services; and

SECTION 5. Tennessee Code Annotated, Section 56-32-204(a), is further amended by redesignating the current subdivision 3(E) as subdivision 3(F), by deleting the punctuation “,” , by deleting the word “and” from the subdivision, and by adding a period thereto.

SECTION 6. Tennessee Code Annotated, Section 56-32-221, is amended by adding the following new subsection:

(d) A physician-hospital organization which does not offer health benefit plans to the public and makes the services of its participating providers available to the public only through health benefit plans provided by entities legally authorized to do so shall not be deemed to be an insurer, health maintenance organization, or a hospital or medical service corporation, or governed by the laws applicable to such entities, except as such laws related to contracts between such entities and providers, nor shall such

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physician-hospital organization be deemed to be practicing medicine nor subject to the provisions of Title 63, Chapter 6, relating to the practice of medicine unless such physician-hospital organization is also licensed and regulated as a hospital or medical service corporation.

AND AMEND by renumbering Section 2 as Section 7.